



ship and operational costs in January 2003 will completely deplete the fund, leaving a deficit of \$34,000.

### Significant Issues

DOH anticipated a purchase of the facility, which is owned by the USDA. However, no serious offers have been received. If a buyer is not found and a decision to close the facility is made, it will take an additional 60 days to transition the current 16 residents to other facilities. The appropriation contained in this bill would cover the deficit and fund the facility through March of the current year. However if no buyer comes forward, a decision to close the facility would require an additional \$212,000 to fund operations through May.

HPC indicates that:

- Los Amigos has had difficulties maintaining viable operations because of a low patient census, according to the Deputy Receiver at Los Amigos, who said that the number of clients has averaged about 15-18 clients in the 59-bed facility.
- According to Los Amigos staff, there are no other facilities that can provide nursing home care in Santa Rosa; the nearest facility is in Tucumcari.
- Clients are a mix of private payer insurance and Medicaid eligible and Medicaid pending. An admissions hold was placed by the Department of Health in late December 2002.
- Many Los Amigos clients have ties to the community, and Los Amigos staff are concerned that closing the facility would place a hardship on the clients and their families.

### **FISCAL IMPLICATIONS**

The bill contains a \$250.0 non-recurring general fund appropriation for FY 03. Any unexpended or unencumbered balance remaining at the end of FY 03 shall revert to the general fund.

The appropriation contained in this bill would cover the deficit and fund the facility through March of the current year.

The following recommendations are being discussed for inclusion in HB2.

- The LFC recommends \$350.0 for nursing home receivership costs from the general fund.
- Executive Budget Request contains a \$600,000 contingency appropriation for nursing home receivership.

### **ADMINISTRATIVE IMPLICATIONS**

These funds would be managed consistent with current DOH receivership actions.

### **OTHER SUBSTANTIVE ISSUES**

Initial funding for the receivership was through a contingency fund established in the Department of Health from federal fines that have been levied on New Mexico nursing homes. The

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fund is not intended to allow the Department of Health to run the facility, but to allow for the stabilization and transition of the nursing center's financial difficulties.

The Department of Health has within the last three years obtained receivership on two other facilities, in Albuquerque and Las Cruces. (Source: Albuquerque Journal 5/8/2000.)

BD/sb